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IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

APPEAL UNDER SECTION 109 No 8 of 1998

For Approval and Signature:

Hon'ble MR.JUSTICE R.BALIA.

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1. Whether Reporters of Local Papers may be allowed to see the judgements? Yes
2. To be referred to the Reporter or not? Yes
3. Whether Their Lordships wish to see the fair copy of the judgement?
4. Whether this case involves a substantial question of law as to the interpretation of the Constitution of India, 1950 of any Order made thereunder?
5. Whether it is to be circulated to the Civil Judge?  
3 to 5 No

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PARAG SYNTEX PVT.LTD.

Versus

PARAG PRINTS PVT.LTD.

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Appearance:

MR MUKUL ROHATGI, SR. ADVOCATE, MR RR SHAH, MR.VINOD  
BHAGAT WITH MR HARSHIL R SHAH for Appellants

MR P. CHIDAMBARAM, MR. BHARAT J. SHELAT, MR. JIMNY  
AWASIA, MR YJ TRIVEDI, MR. N.N. PRAJAPATI, MR. VIBHAVA SAWANT,  
MR. A.K. CHOKSHI of M/s Little & Co for Respondent  
No.1

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CORAM : MR.JUSTICE R.BALIA.

Date of decision: 16 /11/98

C.A.V. JUDGEMENT

1. This Appeal under Sec.109 of the Trade and Merchandise Mark Rules, 1959 is against the order of Deputy Registrar of Trade Marks, Ahmedabad, dated 2nd April, 1998, by which the opposition filed by the appellant M/s Parag Syntex Private Limited to the

Application No. 543105B of respondent No.1 'Paras Prints (P) Ltd., was rejected and the application for registering the label mark using word "PARAG" as its trade mark relating to business of manufacturing and marketing artificial silk sarees was granted.

2. The facts leading to this Appeal are that the application was filed by Harikishan Sunderlal Virmani as proprietor of "Parag Prints" for registration of word "PARAG" per se as its trade mark proposed to be used. The application was dated 28th December, 1990 and was filed on 7th January, 1991. The application was for registration of mark in Part-A of the Register in Class -24 in respect of goods artificial silk sarees and dress materials. The application was amended firstly on 8.12.1994 when the applicants name was substituted as 'Parag Prints Pvt. Ltd.' as during this period said Virmani has assigned the mark in question with goodwill of the trade to the company which has been incorporated during this period and a registration was sought in Part-B instead Part-A of the register of trade marks. By second amendment, the mark was changed from word 'PARAG per se' to Label mark with use of word 'PARAG' in somewhat stylised form on 13.7.95. These two amendments were applied for and granted before the advertisement of the application. The third amendment was applied for on 13.12.1996 for substituting the proposed use to 'user since 1989'. When the first time advertisement was published in Trademarks Journal No.1110 on 1st September, 1995, which was after the amendment of 13th July, 1995, it was for registration of word mark only. When the error was brought to the notice of the Registrar by letter dated 4th September, 1995, the error was corrected and label mark was advertised on 1st December, 1995. All the amendments were moved before and allowed by the Registrar at Bombay.

3. After the corrigenda was published in Trademarks Journal No. 1116 at page 2545 on 1st December, 1995, the opponents filed their notice of opposition with the Registrar on 26.12.1995 which was acknowledged by him on 10th January, 1996. The acknowledgment addressed to the opponent shows endorsement of copy to respondent No.1.

Actual receipt of this intimation of acknowledgment of lodging of notice of opposition is in dispute by respondent. However, copy of the opposition was served on respondent No.1 only on 23rd December, 1996. On 25th December, 1996, respondent No.1 filed its counter statement. On 30th December, 1996, the opponents was directed to file evidence in support of opposition, which was not produced within the prescribed time. On 3rd March, 1997, though the opposition filed application for extension of time for filing evidence, the opposition was declared as abandoned as evidence has not been filed within the time allowed under Rule 53. So disposing of opposition, registration of the mark applied for was granted in favour of applicant company on 12th March, 1997 and certificate thereof was issued. Prior to that corrigenda amending the user to 1989 was published on 16.2.97 in TMJ No.1145 at page 1675.

4. Both the orders, viz. abandoning of opposition and grant of registration were challenged by way of Spl. C.A. No. 988 of 1997 before the Bombay High Court. The petition was filed on 2nd July, 1997. Reply to petition was file din July 1997 itself. In the reply facts about 3rd amendment were stated. The writ petition was disposed of by Bombay High Court in terms of order made on consent of the parties on 15.10.1997. The order reads as under :

" Without prejudice of the respective contentions of the parties by consent of the petitioner and respondent No.5, the order dated 3.3.1997 passed by the 3rd Respondent in the matter of opposition No. AMD-1040 to the 5th Respondent's application No. 543105 is set aside for the registration of the mark is cancelled and the said matter is remanded back with the following directions:

The petitioner shall filed its evidence in support of the said opposition under Rule 53 within 4 weeks from the date thereof.

The 5th respondent shall file its evidence in support of application under Rule 54 within 2 months from the receipt of the petitioner's evidence under rule 53.

The petitioner shall file its evidence in rebuttal under rule 55 within 1 month from the receipt of the 5th respondent's evidence under rule 54.

The parties shall strictly adhere to the above schedule and will not ask for extension of time.

The Registrar shall thereafter immediately hear and dispose off the matter on merits by assigning the matter to an officer other than respondent No.3. In any event, the Registrar shall dispose off the matter within 6 months from the date hereof.

The passing of this order is not intended to be a reflection on the conduct of the respondent. The Registrar is directed to dispose off the matter strictly on merits without being any way influenced by passing of this order.

Parties will bear their own costs."

5. In pursuance of the aforesaid order, the parties led their evidence before the Deputy Registrar. After completion of evidence, the present appellant moved three interlocutory petitions before the Registrar. First interlocutory petition was dated 18th March, 1998 in which the prayer was made to review the order of the Registrar allowing amendment on applicant's request, Form TM-16 dated 13.12.1996 for altering 'the proposed user' to 'users since 1989, for registration of trademark and to reddecide the application for amendment after hearing the opponent. The ground was that the opponents had not been given notice of this application which was allowed after he has lodged his opposition. The second interlocutory application dated 19th March, 1998 was for directing the applicants to offer inspection of the documents listed in the petition, which was partly allowed and inspection was granted. No dispute has been raised in respect of the second interlocutory petition in this appeal. The third interlocutory petition was filed on 26th March, 1998 seeking direction of the Tribunal that Mr.S.K.Butani who has filed an affidavit deposing certain facts relating to the proceedings and other traders who have filed their affidavits in support of claim of user made by applicants be called for cross-examination. Keeping in view the time schedule prescribed by the High Court of Bombay in its above referred order and the fact that credibility of assertions made in affidavit was yet to be examined, the prayer for calling the opponents for cross-examination was refused. No challenge to this order has also been made. Thus, rejecting the interlocutory applications, the Deputy Registrar found that opposition has failed to prove its prior user of the mark "PARAG"; that the

applicant has not been able to establish its user since 1989 but has established its user w.e.f. 21.12.1990. In view of these findings, the objection under Section 18 of the Act was over ruled as the prior user by the opponent was not proved and the first user and adaptation of word PARAG by the applicant was proved. The objection under Section 11 (a) was also rejected. Dealing with the objection under Sec. 9, the Deputy Registrar found that no evidence was produced to show that 'PARAG' is a common personal name and that according to dictionary meaning 'PARAG' means 'Pollen'. On this premise, namely, the 'PARAG' is not a common personal name and that 'PARAG' has other known meaning than as a personal name and applying the principle that if the word were a less rare surname and yet not in any sense common surname, and had an overwhelmingly common and better known meaning otherwise than as surname, words such as "Jury" or "Burgler", the Registrar would in the absence of evidence of distinctiveness, refuse registration in Part-A but would allow registration in part-B of the register. The opposition on the ground of the conduct of the applicants in using the Letter 'R' in a circle before registration, in the circumstances of the case, was not found sufficient to disentitle the applicants to registration by use of discretionary power of Register. On these findings, opposition was rejected and application was allowed and certificate of registration registering the label mark has been issued. Hence the present appeal.

6. In the first instance, it was urged by learned counsel for the appellant that as amendment in application about 'user' has been allowed without notice of application to the opponent, notwithstanding the fact that amendment application in form TM16 was filed after opponent has lodged its notice of opposition, the order allowing amendment and consequential consideration thereof is invalid inasmuch as same is in breach of principles of natural justice. Learned counsel for the appellant places reliance on the decision of SL KAPOOR v. JAYMOHAN, AIR 1981 SC 136 that breach of principles of natural justice by itself is prejudice and no further prejudice is required to be proved. Learned counsel urges that he having made an objection to that effect before the application for registration was heard and decided by way of interlocutory petition dated 18th March, 1998, the Dy. Registrar has erred in not allowing the objection notwithstanding the finding that the application of the amendment has been allowed without notice to the appellant on the ground that he has not availed the statutory remedies against it and he cannot consider the same as an appellate authority.

7. Having carefully considered the contention, I am of the opinion that in the facts and circumstances of the present case it cannot prevail.

8. Section 109 allows appeal against every order passed by the Registrar under the Act, except the decision, order or direction issued under the Act by the Central Government and such directions issued by the Registrar in implementing such decisions, order or direction of the Central Government under the Act or Rules before the High Court. While hearing the appeals under Section 109, provision of the Code of Civil Procedure, 1908 have been made applicable specifically except to the extent there are provisions to the contrary in the Act of 1958 or rules made thereunder. Section 99 of the Code, inter alia, provides that no decree shall be reversed or modified for error or irregularity not affecting merits or the jurisdiction of the court. Therefore, before the order made by the Dy. Registrar is to be set at naught on the ground of any defect or irregularity in making any interlocutory order, the court has to be satisfied whether such irregularity or defect has affected or is likely to affect the merits of the case or it affects the jurisdiction of the court to try the lis itself. It is not the case that the Dy. Registrar had no jurisdiction to entertain and allow the amendment or the application for registration. The question, therefore, arises whether the application dated 13.12.1996 which has been allowed without notice to the opposition by itself would be sufficient to set at naught the final order. It is well settled that rules of natural justice are subject to statutory provisions and where the procedures of hearing are not governed by statutory provisions, it depends on facts and circumstances of each case to what extent the principles of natural justice are required to be followed in each case. As noticed above, in the present case, the procedure to be followed by appellate court is governed by statutory provisions, namely, the Code of Civil Procedure, except to the extent otherwise provided in the Act of 1958 and the Code of Civil Procedure unequivocally provides that the decree or order of the court below is not to be reversed, modified or remanded solely on the basis of defect, error or irregularity in procedure except in case it has affected the merits of the case. Adherence to principles of natural justice is a matter of procedure to ensure fair trial. It does not fall in the realm of merit of case. Amendment of pleadings is part of procedure. If there is any irregularity or illegality in allowing or refusing amendment of pleadings, the same

by itself will not affect the merit of the case. The question will be whether such dealing with amendment of pleadings has materially affected the trial of the case on merit to the prejudice of objector. If the trial has proceeded on the basis of amended pleadings, of which the other side had no notice and he has been prejudiced in conducting his case, obviously, the ultimate order on the strength of such trial shall be vitiated. On the other hand, notwithstanding that when amendment was allowed, the other side was not served with notice, but later on after the fact has been brought to his notice, he participated in trial, led evidence on that basis without demur, it cannot be said that because of an illegality or irregularity in allowing amendment, ultimate merit of trial order has been affected.

9. A breach of principles of natural justice vitiates a trial not because order is bad on merit, but because it defiles a fair procedure and leaves room for arbitrary or biased decision. Stress on adherence to principles of natural justice is not so much part of duty to act judiciously but is foundation for duty to act fairly. But as noticed, these principles are subject to statutory provisions and cannot override the same. Therefore, before the final order can be invalidated, the court will have to examine whether the allowance of amendment application has resulted or likely to affect the merit of the case. In the facts and circumstances of the present case, it is to be seen how far the breach has affected the merit so as to warrant interference by the appellate court. For this purpose, it would be profitable to recount certain facts.

10. The application was moved on 13.12.1996 for amending the user from 'proposed' to 'since 1989'. As on 13.12.1996, the applicant was not served with the copy of the notice of opposition. What is now being alleged is that he has information about the filing of the opposition by pointing out the endorsement made in the acknowledgment letter of the receipt of notice of opposition by the Registrar, notwithstanding that the copy was not served on the opponent. The application was filed at Bombay as were the earlier application. The orders were made without informing the applicant and they had no occasion to oppose the amendment. It is true that the opponents have not been afforded an opportunity to oppose the application for amendment, but, at the same time, amending an application for registration by itself does not create any right in favour of any one or against any one. It is like permitting a litigant to raise additional or alternative plea in support of its claim.

The real crux is whether the opponent had an opportunity to answer the alternative or additional ground raised or put forth before it is considered and decided, resulting in a final order affecting the rights of the parties. The principle which is applicable to making of orders or finally determining the rights of the parties affecting them adversely cannot be imported with strait jacket in the situation like the present one. It is to be seen that first two amendments had been made even before application was advertised and they were made at Bombay. The application was advertised for the first time in September 95 and corrigenda was issued on 1st December, 1995. Notwithstanding, acknowledging the receipt of notice of opposition, the copy of the same was not served on the applicant until 26th December, 1996 and no hearing has been fixed at Ahmedabad or intimation has been given for transferring the proceedings from Bombay to Ahmedabad where the application had been initially filed. Bombay office is responsible for examining the applications, whether the application is acceptable or not while scrutinising in the light of preexisting trademarks and other material before it. Therefore, merely from the fact that application has been moved at the Head Office by itself could not be a ground to draw inference of any doubtful conduct against the applicants. It was for the Registrar who was dealing with the application, to have been vigilant and before deciding upon it ex parte to have secured service of the copy of the same on the opponent by directing the applicant to do so. This defect in procedure has been accepted to be there by the Dy. Registrar while considering the application for reviewing its order allowing amendment dated 13.12.1996. The fact remains that after allowing the application, it was published in the Trade Mark Journal, that is to say objections to amended applications were required to be filed, if any, from the date of such publication. That is to say, opportunity to object the allowance of the application for registering the trade mark on the amended ground was not denied to the applicant. He could have

lodged objection to the allowablity of the registration of mark on the 'user of mark since 1989' as was claimed by way of amendment.

11. It may be viewed from another angle that an independent application could have been moved on the basis of user notwithstanding itself effective. The same



could not have been refused consideration for acceptance or advertised before acceptance for want of notice to the opposition.

12. Apart from this, the further conduct of the parties go to show that both the parties were fully alive to the issue, namely, that the registration of the trademark which is being considered on merit is on the basis of users since 1989 and both the parties have led evidence on that basis. The facts which emerge from the record and cannot be disputed are that on 3rd March, 1997 the opposition was rejected as abandoned. On 12th March, 1997 certificate was granted in favour of present respondent No.1 on 1st July, 1997, the appellant filed writ petition in Bombay High Court being Spl. C.A. No. 988 of 1997 challenging the registration granted in favour of the applicant and order as to abandonment of opposition. In reply to that petition it was brought to the notice of the present appellant that by third amendments in Form No. TM-16 was to incorporate the statement to user since 1989. The appellant applied for the copy of TM-16 Form dated 13.12.1996 through his request dated 31st July, 1997 which was granted on 5th August, 1997. Thus, appellants were aware about the amendment in the application at least by 31st July, 1997. After having known about this, they obtained consent order from the Bombay High Court in terms stated above. The direction was clearly to fix the time schedule for leading evidence by both sides as per the case known to them and to Registrar to dispose of the matter on merits by assigning the matter to an officer other than the respondent No.3 before the Bombay High Court. Thus, it can well be said that when by consent the parties obtained the order from the Bombay High Court on 15th October, 1997, for leading evidence and decision of the application on merit, the appellant was aware about what case he has to meet, namely the amended application as to its user since 1989. In fact, evidence has been led on that basis. Law is also trite that where parties are aware about the real issue and led evidence on that basis even absence of a formal framing of issue does not vitiate the trial. In the present circumstances when parties having come to know about the amendment which has been allowed without notice to them, agreed to lead evidence on merit of the case and to secure decision on the merits of the case, cannot now be permitted to turn round to say since there is irregularity or defect in allowing amendment, the final order ought to be set at naught. As appellant being aware about the amendment since at least July 31, 1997, he after obtaining the consent order to go along with the trial by leading

evidence and getting decision on merit, he must be deemed to have consented to lead evidence and secure decision on merit on the basis of facts existing on that date as per record and not to vitiate the trial by irregularity or defect in procedure interior to that date. Therefore, in considering the evidence on the basis of amended application which was led only after 15.10.97 pursuant to order of Bombay High Court, cannot be considered to have prejudiced the merit of the case so as to warrant interference by appellate court on that ground. The contention, therefore, on account of defect or irregularity in allowing the amendment of user in application for registration of trade mark is rejected.

13. The second objection which is raised for the first time now is that on the date the second amendment was allowed on 13th July, 1995 for substituting the word 'PARAG' with label mark representing word 'PARAG' in stylised form 'PARAG Prints Pvt. Ltd.' was not the proprietor of the mark. Hence, it could not have made the application nor the same could have been allowed. This being a question not raised before the lower Tribunal during the course of proceedings, the appellant is not entitled to raise the same for first time in appeal as a matter of right. The contention which is raised is that as on the date application was made for substituting the label mark, the applicant 'Parag Prints Pvt. Ltd.' has assigned its rights in the trade mark in favour of Parag Industries Pvt. Limited on 1st April, 1995. As on 13th July, 1995, Parag Prints Private Limited was not even claiming to be the proprietor of mark, it has no locus to apply for amendment either and, therefore, no competent application for label mark was there which required consideration by the Registrar for registration. As stated above, this being the primary question of fact, cannot be permitted to be raised for the first time in the appellate stage.

14. Section 41 envisages assignment of trade mark registered or unregistered with or without assigning of good will of the business becomes operative only when an application for its registration is made within six months of such assignment or within such extended period not exceeding three months as may be permitted by Registrar for direction with respect to advertisement of the assignment. That is to say, in absence of advertisement of assignment in case of unregistered trade mark without transfer of goodwill, the assignment fails. No material has been shown to be on record about these facts. It cannot be said therefore that from record a finding as to valid and operative assignment of mark in

question is established.

15. Assuming the fact of assignment in favour of Parag Industries Pvt. Ltd to exist, the objection cannot succeed in ultimate conclusion. It is to be noticed that application was first moved by Mr. Virmani as proprietor of Parag Prints in which name and style he was trading. After incorporation of Parag Prints Pvt. Ltd., the mark was assigned with good will by Virmani in favour of 'Parag Prints Pvt. Ltd.' At that time The application for registration was already pending, 'Parag Prints Pvt. Ltd.' applied, to be substituted for Virmani, proprietor of Parag Prints which was granted. On the second assignment on 1st April, 1995 by Parag Prints Pvt. Ltd. in favour of Parag Industries Pvt. Limited, the application was still pending and had not been decided. In such circumstances, the law of procedure ordinarily permits that original holder of the right can continue with the proceedings for the benefit of assignee or assignee himself may come forward to be substituted in place of original holder of the right to carry on the matter.

16. It is not anybody's case that the original applicant if during the pendency of application assigns his interest to somebody else, he cannot prosecute the same for the benefit of his assignee. The fact that assignee has right to be substituted and continue with the proceedings, does not vitiate the proceedings continued by the original applicant without bringing on the assignee on record. It is the assignee who takes the risk of the fruits of the litigation if he has allowed his transfer, or to continue with the proceedings for his benefit.

17. In this connection, principle under provision of the Code of Civil Procedure may be referred to. Order 22 deals with assignment, creation or devolution of any interest during the pendency of a suit. In the case of a death, the provision has been made under Rule 3 and 4 for continuing the litigation by the legal representatives of the deceased if they are brought on record within the specified period in accordance with the procedure prescribed. It also provides for abatement of proceedings in case the legal representatives of the deceased are not brought on record within the specified period. But, in other cases of assignment, creation or devolution of any interest during the pendency of a suit, rule 10 provides that the suit may, by leave of the court, be continued by or against the person to or upon whom such interest has come or developed. That is to

say, except in the case of death, the original party's right to continue with the litigation does not come to an end on assignment.

18. The principle underlying enabling provision of Order 22 R 10 is that trial of a suit cannot be arrested merely by reason of devolution of the interest of a party to suit in the subject matter to another person. It is the person who acquires interest of a party to suit, if he so chooses, can continue with the suit with the leave of the court. If he does not, suit may be continued with the original party and the person acquiring the interest will be bound by the result. The only condition is that right to sue must otherwise survive to person on whom such interest in subject matter has devolved or to whom such interest has been transferred or assigned. If the right itself lapses or cause of action does not survive in favour of assignee too, the original plaintiff cannot continue with the lis. For example in an eviction suit filed, where rent control laws apply and ground pleaded is bona fide personal necessity of landlord to occupy the premises. In such cases, on transfer of rented premises, the ground on which eviction is sought does not survive to transferee to be litigated by him and transfer's right lapses with his ceasing to be landlord. But if the transferee or assignee can continue with the suit on the existing cause of action, right of original plaintiff to proceed with the trial and to do all necessary things to protect the rights in suit continue to exist until the transferee or assignee of his interest pendente lite is substituted.

19. As already discussed above, the parties have gone on trial after the direction of the Bombay High Court as per consent terms to have decision on merit after leading evidence on the application as amended upto that date. As on that date, the proprietorship of the mark vested in the applicant Parag Prints Pvt. Ltd and all the three amendments have been allowed. No objection to that effect was at all raised at any stage before hearing of this appeal. Ground has not even raised in memo of appeal. Therefore, procedural irregularity even if it were there, in allowing amendment application prior to 15th October, 1997 has not affected the merit of the trial of the issue whether 'Parag Prints Pvt. Ltd.' can be granted registration of Label mark 'Parag' on the basis of user and any irregularity or defect in procedure prior to that date which has not affected the merit of the decision prejudicially to the interest of other parties cannot result in invalidating the order on the ground alone.

20. In the present case, the matter does not end here. As a matter of fact, mark was re-assigned to the applicant Parag Prints Pvt. Ltd on 21st November, 1996. That is to say, before third amendment application was moved. While the application was still pending before the matter was actually heard, Parag Prints Pvt. Ltd had re-acquired interest to get the application considered for its own benefit.

21. Looking from all points of view, firstly the appellant is not entitled to raise this issue for the first at the appellate stage; secondly the original party can always continue with the pending litigation at the time of assignment of subject matter of the lis in case the assignee does not choose to be substituted, and last but not the least that the interest has vested back in the original applicant during the pendency of application and present respondent was proprietor of the mark applied for at the time when the application came up for hearing; question of temporary loss of interest during pendency of proceedings loses its significance to affect the merit of the decision. This contention also therefore fails.

22. It was next contended by the learned counsel for the appellant that in arriving at conclusion about the proprietorship of the mark on the basis of prior user, the Dy. Registrar has wrongly cast the onus of such proof on the opposition whereas the onus rests with the applicant to prove its case. This contention has been stated to be rejected. At no place, the Dy. Registrar has placed onus of proving the ingredients necessary for registration of the mark on the opposition. The applicant has laid claim to the registration of label mark containing word 'PARAG' as its proprietor. The appellant has disputed and has claimed that he is the prior user of the word mark 'PARAG' and he put his claim of user since 12th October, 1990. The Dy. Registrar on the strength of evidence led by respective parties found that the applicant has failed to prove user of mark by him w.e.f. 1989 as claimed by him but has proved such user only w.e.f. 21st December, 1990. At the same time as to the claim put forward by the opponent that it is using the word mark 'PARAG' since 12th October, 1990 found that that also to be untenable. Thus, having found these two facts, it has reached its conclusion that the respondent No.1 applicant is prior user of the mark and is entitled to lay claim to proprietorship. This conclusion is only logical inference drawn from two proved facts. Thereafter while examining the question

whether use of trade mark in question is likely to cause confusion, the Dy. Registrar has drawn a clear distinction that where the applicant wants to claim the benefit of use of the mark as a subsequent user either in a passing off action or for securing the registration under Sec. 12(4), the onus would be on the subsequent user to dispel the doubt that his case is not likely to cause confusion or whether such use is likely to cause confusion. Thus, this was only with reference to confusion arising out of company's two marks. Once the applicant proves that he is using the mark as a proprietor prior to the claim of user by any other person then the question of causing confusion by user of the mark by subsequent user of the mark by someone will not arise, apart from general ground if the mark is likely to cause confusion otherwise. In my opinion, the contention founded on the basis of onus and burden of proof is misconceived in the present case.

23. It is contended that as the applicant was found offending the provision of the Act by displaying his mark with 'R' in circle as if it is a registered trade mark, violating Section 81, the Registrar ought not to have used his discretion in allowing the application. Undoubtedly, it is relevant consideration in exercise of discretion whether application is to be rejected on the ground of conduct of a party, but ultimately, it rests with the discretion of the authority concerned and not that in all circumstances of a party does not act strictly in accordance with law, his application must be rejected. Keeping in view the fact that once the registration was, in fact, granted, in favour of the applicant on 12th March, 1997, which was set aside by the order of the Bombay High Court on 15th October, 1997 and the counsel for the applicant having realised this mistake made a statement before the Registrar assuring that applicant shall not use the letter 'R' in a circle until registration is granted and looking to the totality of the facts and circumstances of the case, the Registrar did not consider it reasonable to reject the application only on that ground, it cannot be said that exercise of discretion was perverse so as to call for interference in appeal.

24. On merit of the findings in the first instance it was urged that the finding that appellants have not been able to prove that they have used the mark since 18.10.1990 is erroneous. It was urged that there is ample material on the record to show that the opponents have used the mark 'PARAG' since 18.10.1990 and if that finding is accepted, on the Dy. Registrar's own finding

that the applicant has been able to prove their user since 21.12.1990 only, the opposition must succeed on the basis of its prior user.

25. The Dy.Registrar by discussing in detail the evidence has come to the conclusion that the opposition's claim to prior user is unacceptable. Generally agreeing with the reasoning of the Dy. Registrar, I am of the opinion that the finding does not call for interference. It may be interesting to notice in this connection that in para-2 of the notice of opposition, it has been stated in unequivocal terms 'we honestly conceived and adopted the trade mark PARAG in the year 1991 and that the same has been used by us in relation to our textile piece goods since then. That the mark PARAG forms and occupies a predominant part in our trading style! In para-3 of the notice of opposition, again it has been reiterated that "we state that our trade mark 'PARAG' has been used at least since April 1992 openly, continuously, extensively in India and the said mark has been widely advertised through various media of publicity, both audio and visual. In para 10 it has been given out that 'Parag Syntex Private Limited has been incorporated in January, 1991 and that we have been using our said trade mark PARAG at least since April 1992 openly, honestly and continuously. That our goods have been extensively sold all over India and an enviable good will and reputation have accrued to our trade mark and to the goods sold thereunder.' The same statement has been made in para-5 of the Notice of opposition. Thus, in its first projection, the appellants are very emphatic for its user openly, honestly and continuously since April, 1992 and laid claim to its adaptation only in the year 1991. The Three invoices through which much stress was laid for prior user of the mark 'PARAG' as discussed by the Dy. Registrar do not relate to any manufactured items in relation to which trade mark is allegedly used, and the three invoices are of raw materials. In fact, the specific reference has been made in the Director's report for the year ending 31st March, 1991 and the year ending 31st march, 1992 that the company could not commence commercial production. During the year ending 31st March, 1992, Profit and Loss account shows the sales as null. With all these voluminous evidence and serious infirmities about the alleged adoption of resolution by the provisional Board at pre-incorporation stage about use of word 'PARAG' as trade mark in October 1990, the existence of said resolution has been demonstrated to be of very doubtful character. Nothing further is required to be discussed to uphold the finding of the Dy. Registrar that the opponent has failed to prove its users

since 18th October 1990 or prior to 21st December, 1990 or to say even prior to the date of making of application.

26. In this connection, a faint attempt has been made by the learned counsel for the respondent to urge that finding about the user by applicant w.e.f. 21.12.1990 and not since 1989 deserves reconsideration is also not well founded. The Dy. Registrar in this connection has also discussed in detail the evidence that has come on record and has come to a well reasoned finding that the applicants have able to prove their first user on 21st December, 1990 when the business of Parag Prints was inaugurated. The user was by way of display as well as the invoice of the sale which was taken on the date of inauguration of the business by Parag Printers by way of customary opening sales.

27. Lastly it has been urged that the order of Dy. Registrar does not disclose how and in what manner the impugned mark is registrable under Part-B of the register. No finding has been recorded whether the mark in question has been adapted to distinguish the goods of applicant from similar goods of other manufacturers and whether it is inherently distinctive or is capable of distinguishing the goods of proprietor. Without such findings, the Dy. Registrar could not have granted registration under Part-B also under Sec. 9 of the Act.

28. While dealing with the question about eligibility of the trade mark to be registered under Sec. 9, the Dy. Registrar has found " I do not agree with the submission of Mr. Trivedi that the trade mark qualifies for registration in view of it being specially represented. No evidence was produced to show that PARAG is a common personal name. According to dictionary meaning 'PARAG' means "Pollen". He refers to practice in U.K. Patent Office as to which marks to be registered in Part-A and which mark are to be registered in Part-B and then holds that the same practice is followed in the Trade Mark Registry in India. So, coming to the conclusion about the practice of trade mark registry in India, the Dy. Registrar reaches his conclusion `so in my view the trade mark qualifies for registration in Part B of the Register in view of the practice of trade mark registry coupled with the evidence of use of the trade mark filed by the applicants and also in view of the stated judicial decision.

29. One has to search for reasons in the entire discussion to find whether the Dy. Registrar has



recorded any finding about the commonness or uncommonness of the word 'PARAG' as a personal name whether the alternative dictionary meaning of PARAG is better known meaning of the word than its use as a personal name, in the field in which the trade mark is to operate. Having jumped to the conclusion while excluding its registration under Part-A that the trade mark qualifies for registration in Part-B. Whether the mark is inherently distinctive or is capable of distinguishing goods or has in fact capable of distinguishing the goods or has acquired distinctiveness by user, but the search is in vain. So far as the observation of the Dy. Registrar that no evidence is produced to show 'PARAG' is a common personal name, he appears to have ignored the fact that both the parties were claiming the adaptation of the name for the same reason, namely, both the parties have named their child 'PARAG'. That is to say that 'PARAG' is chosen by both the parties as a personal name for their child. For the present case it was a strong piece of evidence to suggest that 'PARAG' is a common personal name adopted by persons in this part of geographical region for their children. It may be that other meaning is also there. But that often is the case with Hindu names which originate from Sanskrit or Hindi names of natural forces which have been attributed with divinity and have many synonyms. Unlike Christian names, in this part of the world, personal names are often related to existing physical or divine objects having a number of synonyms or other meanings. The principle enunciated by English Courts in this regard may not always provide an apt guide to be adopted without alluding to the facts and evidence of the case. I am, therefore, of the view that this part of decision of the Dy. Registrar is not a speaking order and deserves to be reviewed and it cannot be accepted as it is.

30. It was urged by learned counsel for the respondent while supporting the order that in the event court is of the opinion that Dy. Registrar has not given a reasoned order, this court under Sec. 109(6) same power as the registrar to decide the application itself and the court should decide the application itself. It was also urged that the question whether the label mark using word 'PARAG' in a stylised manner and which is also the first name of the company can be considered as name of the company represented in a special or particular manner, the Dy. Registrar has refused to apply its mind forgetting all the time that application which he was considering was not for the word 'per se' but was of a label depicting the word 'PARAG' in a particular manner.

31. The contention deserves consideration.

Sec. 9 reads as under :

9. Requisites for registration in Part A and B  
of the Register --

(1) A trade mark shall not be registered in Part  
A of the register unless it contains or consists  
of at least one of the following essential  
particulars namely:

(a) the name or a company, individual or firm  
represented in a special or particular  
manner;

(b) the signature of the applicant for  
registration or some predecessor in his  
business;

(c) one or more invented words;

(d) one or more words having no direct  
reference to the character or quality of  
the goods and not being, according to its  
ordinary signification, a geographical  
name or a surname or a personal name or  
any common abbreviation thereof or the  
name of a sect, caste or tribe in India;

(e) any other distinctive mark.

(2) A name, signature or word, other than, such  
as fall within the descriptions in Cls. (a), (b),  
(c) and (d) of sub-section (1) shall not be  
registrable in Part-A of the register except  
upon evidence of its distinctiveness.

(3) For the purposes of this Act, the expression  
'distinctive' in relation to the goods in respect  
of which a trade mark is proposed to be  
registered, means adapted to distinguish goods  
with which the proprietor of the trade mark is  
or may be connected in the course of trade from  
goods in the case of which no such connection  
subsists either gradually or, where the trade  
mark is proposed to be registered subject to  
limitations, in relation to use within the extent  
of the registration.

(4) A trade mark shall not be registered in

Part-B of the register unless the trade mark in relation to the goods in respect of which it is proposed to be registered is distinctive, or is not distinctive but is capable of distinguishing goods with which the proprietor of a trade mark is or may be connected in the course of trade from goods in the case of which no such connection subsists, either generally or, where the trade mark is proposed to be registered subject to limitations, in relation to use within the extent of the registration.

(5) In determining whether a trade mark is distinctive or is capable of distinguishing as aforesaid, the Tribunal may have regard to the extent to which -

(a) a trade mark is inherently distinctive or is inherently capable of distinguishing as aforesaid; and

(b) by reason of the use of the trade mark or of any other circumstances, the trade mark is in fact so adapted to distinguish or is in fact capable of distinguishing as aforesaid.

(6) Subject to the other provisions of this section, a trade mark in respect of any goods -

(a) registered in Part A of the register may be registered in Part B of the register; and

(b) registered in Part B of the register may be registered in Part A of the register;

in the name of the same proprietor of the same trade mark or any part or parts thereof.

32. The scheme of this provision reveals that in order to get a mark registered under Part-A of the register prime essential condition is that either (a) it must contain name of the proprietor, whether of company, individual, or firm and such word must be represented in special or particular manner, that is to use of name simpliciter is not sufficient but such name must be distinctively or stylishly represented or (b) it must be signature of applicant or his predecessor or (c) one or

more invented words or (d) one or more words which is/are not according to its ordinary significance a geographical name or a surname or a personal name or any common abbreviation thereof or of a sect, caste or tribe or (e) any other distinctive mark. It may further be seen that prima facie a name of person in order to be registrable under Part-A of register under clause (a) must be that of proprietor. Assuming that name of individual envisaged under clause (a) need not necessarily be of proprietor, then too unless the same is represented in special or particular manner it will not qualify for registration under Part-A as the same may not fall in clause (a) either. In other words if name envisaged under clause (a) is to be proprietor, name of other person even if depicted in special or particular manner, will not qualify for registration under Part-A as it will be excluded under clause (d). If on the other hand name envisaged under clause (a) need not be of proprietor but of any person than in order to be out of clause (d) it must be represented in special or particular manner. Thus a name per se without special or particular style will not qualify for registration under clause (a).

33. Pausing here for the present to take a stock of the facts for the issue at hand keeping in mind the findings of the Registrar in the context of above provisions clause (a) and (b) relate to word or signature representing name of proprietor/ applicator in special manner that is to say either name in stylised form or in signature form. Original applicant Virmani did not fulfil either of the features, though he was trading in the name of Parag Prints. He has adapted the name as trade mark because he has named his child as Parag. That is to say he for his intends has used word PARAG as personal name. He has applied for registration of word per se and not in the label form or name represented in special or particular form. Whatever be the view as to whose personal name is referred to in clause (a) it did not conform to requirement of clause (a). It did not fall in clause (d) either which excludes personal names from being registered under part-A. He, therefore, moved amendment application to claim registration under part-B inasmuch as word 'PARAG' per se for him was not falling in any of the clauses of Sec. 9(1) as it was not falling in clause (b), (c) and (e) also being neither a signature or an invented word or having otherwise distinctiveness .

34. Contrary to this Dy. Registrar took the view that word PARAG according to its ordinary significance is not personal name, but according to its ordinary significance it has reference to its dictionary meaning

`pollen'; when it said "No evidence is produced to show that PARAG is a common personal name. According to dictionary meaning `PARAG' meaning Pollen. Accepting the statement on face value according to Dy. Registrar `PARAG' is not in its ordinary significance a common personal name but means `pollen'. If that be so, word `PARAG' otherwise than as name of person, is a word having no direct reference to the character or quality of goods and fulfills the condition of clause (d). Learned Dy. Registrar appears to have ignored significance of expression `according to its ordinary significance' in clause (d) of Sec. 9(1) of the Act. If according to its ordinary significance a word is not a name or surname of individual, but having a different meaning which does not describe the nature or characteristics of the commodity in regard to which it is used, it will still fall in clause (d).

35. Deviating from this position on 22.6.1992 original applicant Virmani assigned the mark in favour of Parag Prints Pvt. Ltd. and by first amendment dated 8.12.1994 Parag Prints Pvt. Ltd. became applicant. Parag Prints Pvt. Ltd. being a company and juristic person the significance of word `PARAG' became directly linked with the name of company. By second amendment dated 13.7.95 the mark sought to be registered was substituted from word `PARAG per se' to label mark containing word `PARAG' represented in specific stylised manner. If viewed from this point of view it may fall in clause (a) also.

36. In this connection, it is of significance that under sub.Sec.(2) of Sec.9 a name, signature or word other than such as fall within clause (a)(b)(c) and (d) must be supported by evidence of distinctiveness to be registrable under Part-A. In other words, a name or word falling in clause (a) or (d) evidence of distinctiveness is not required. In such cases, the depiction of name in special or particular manner, or signature or invented or unconnected word are itself considered to contain germs of distinctiveness. It is only if concerned mark does not fall in clauses (a) to (d) that it requires proof of distinctiveness. If PARAG in its ordinary significance is not considered as personal name but is construed as in its ordinary significance to a word meaning `pollen' it falls within clause (d). If it is considered name of person, in the present case company's name being `PARAG' and label depicts name `PARAG' in the form as it is if can be held to be stylised form, it may come within the ambit of clause (a) of Sec. 9(1) of the Act.

37. The Registrar obviously erred in not considering this aspect of the case on his own finding about the ordinary significance of word 'PARAG, not a common personal name but having a better known meaning 'Pollen'.

38. The fact is that when the application was made for registration in Part-A and was later on amended vide first amendment to be considered in Part-B, while it was still for considering registration of word 'PARAG per se', but by second amendment word 'PARAG per se' was substituted by label mark with word 'PARAG' in present form. It was this label mark which ultimately fell for consideration for registration. When considering such application, the authority will not be justified in refusing to apply its mind to consider, if necessary facts are brought to its notice that the questioned mark is eligible to be considered for registration under Part-A also. It has also not addressed itself whether the mark in question fulfils the condition of Part-B, namely, in order to be entitled for registration the mark is proved to be inherently distinctive or capable for distinguishing goods with which the proprietor of trade mark is connected in the course of trade from similar other goods by applying the test of sub-sec.(5) of Sec.9.

39. While under sub-sec.(3) of Sec.9 the expression 'distinctive' has reference to the intention of the proprietor to adapt a particular mark to be used for the purpose of distinguishing goods with which he is connected in the course of trade from such other goods which he has no connection. The word 'distinctive or capable to distinguish' for the purpose of granting registration has reference to the character and intrinsic property of the mark in question as to its capacity to fulfil the object of adapting it as a trade mark viz. to distinguish the goods of the proprietor from the like goods of others. This is clear from reading of sub Sec. (3) and 95) of Sec.9. While sub-sec. (3) defines 'distinctive' in relation to goods, under sub-sec. (5) word 'distinctiveness' has relation to mark's intrinsic quality to stand apart for the purpose of distinguishing goods in relation to which it is used. The order under appeal does not reveal that Dy. Registrar has at all applied its mind to all these questions and determined the question about intrinsic distinctiveness or capability of mark to distinguish the goods with reference to which it is used.

40. The questions whether form in which the word 'PARAG' in label mark has been depicted is sufficient to bring the same within the purview of representing the

name of company in special or particular manner, whether the label mark, if the same does not fall in any of clause (a) or (d) of sub Sec. (1) of Sec.9, is inherently distinctive by itself or is capable of distinguishing goods of applicant, are not pure question of law but mixed question of law and fact which shall require appreciations of evidence before reaching these findings. Though adaptation of word 'PARAG' by the applicant as trade mark has been held to be proved w.e.f. 21.12.90 the date of first sale, there appears to be force in this submission of learned counsel that whether 'PARAG' in its present form which is claimed to be in specific or particular manner too is used since that date or later date has not been examined by the Dy. Registrar. This too is a relevant enquiry to be made, while considering the registration under Part 'B' of the register. Where a word is held to be an essential feature of a mark, its depiction in stylised form too may be a relevant factor in considering whether it is inherently distinctive or has capacity to distinguish the goods of proprietor or has in fact distinguished the goods as such. That may bring in the application of ocular test about distinctiveness or capacity to distinguish of the mark. That enquiry too is relevant for the authority under the Act of 1958 to consider in the first instance.

41. When registration of a trade make is challenged on the ground that the distinctiveness of mark was not proved before the registrar, or evidence to that effect was not led, it is to be seen whether by user of the mark by the proprietor has resulted in acquisition of distinctiveness as on the date of registration. If the proprietor leads such evidence and proves such distinctiveness to exist as on the date of registration, the registration does not become invalid, even if such evidence was not led before the Registrar or evidence led did not prove requisite facts as on the date of application. That is the effect of Sec. 31(2) of the Act of 1958; which reads as under :

31(2) In all legal proceedings as aforesaid a trade mark registered in Part A of the register shall not be held to be invalid on the ground that it was not a registrable trade mark under Sec.9 except upon evidence of distinctiveness and that such evidence was not submitted to the Registrar before registration, if it is proved that the trade mark had been so used by the registered proprietor or his predecessor-in-title

as to have become distinctive at the date of registration.

42. It is true that Sec. 31(2) in terms do not apply to registration under Part-B as such, which deals with a situation arising subsequent to registration, in which validity of registration of mark itself becomes an issue, it does bring forth principle that capability of mark to distinguish the goods in connection with which it is used as on the date of registration has direct nexus to validity of registration and evidence to that effect if brought before the registrar, in connection with distinctiveness or its capability to distinguish upto the date of actual registration does not become inadmissible and can be taken into consideration.

43. Ordinarily the primary findings on these questions of fact must be reached by the original authority, viz. Dy. Registrar, if it has not earlier recorded such findings by evaluating available evidence on record. If this court were to appreciate the evidence and decide relevant issues for the first time as an original authority, the party against whom the said findings are reached, shall be deprived of a valuable right of statutory appeal against the finding of the original authority. It may be noticed while in appeal against the finding of the Dy. Registrar before the High Court findings of fact can be challenged as a matter of right and right may be sufficiently truncated in further appeal.

44. In these circumstances, appropriate course is to direct the Dy. Registrar to decide the application of the respondent afresh in accordance with law subject to findings already reached and not interfered with as discussed above and to determine the question of registering the label mark 'PARAG' in the form in which it has been advertised on 1.12.1995 whether under Part-A or Part-B after affording opportunity of hearing to both the parties.

45. Appeal is therefore allowed. The order of Dy. Registrar granting registration to label mark 'PARAG' in favour of respondent is set aside and subject to conclusions reached above and observations made, the Registrar is directed to decide the application for registration of label mark 'PARAG' afresh within four months from today.

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Date: 16.11.1998

Learned counsel for the respondent prays that operation of the order may be stayed for some period to enable the respondent to avail remedy of appeal, if so advised. Learned counsel for the appellant has objection to it. In the facts and circumstances of the case, operation of the order is stayed for a period of four weeks.

Date: 16.11.1998 (RAJESH BALIA,J.)

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